
HOUSE BILL No. 1120

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-7-9-9.

Synopsis: Mine subsidence insurance. Increases the maximum limit of mine subsidence coverage that an insurer agrees to cede to the commissioner of the department of insurance under a reinsurance agreement, from \$100,000 to \$150,000 per structure insured.

Effective: July 1, 2001.

Becker, Hasler, Avery

January 9, 2001, read first time and referred to Committee on Insurance, Corporations and Small Business.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1120

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-7-9-9 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2001]: Sec. 9. (a) An insurer making the type
3 of insurance described in Class 3(a) of IC 27-1-5-1 shall enter into a
4 reinsurance agreement with the commissioner. The reinsurance
5 agreement must include the following terms:

6 (1) The insurer agrees to cede to the commissioner one hundred
7 percent (100%) of any mine subsidence coverage issued under
8 this chapter, subject to a maximum limit of one hundred **fifty**
9 thousand dollars ~~(\$100,000)~~ **(\$150,000)** per structure insured.

10 (2) The insurer shall collect the premiums for mine subsidence
11 insurance, may retain a ceding commission in an amount set by
12 the commissioner, and shall remit the remainder of the premiums
13 to the commissioner for deposit in the mine subsidence insurance
14 fund.

15 (3) The insurer, in consideration of the ceding commission, shall:
16 (A) undertake the adjustment of losses under the mine
17 subsidence coverage issued under this chapter by the insurer,



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- 1 with technical assistance provided under section 9.5 of this
2 chapter; and
3 (B) pay the taxes and absorb all other expenses necessarily
4 incurred by the insurer in the sale of policies and the
5 administration of the mine subsidence insurance program
6 under this chapter.
7 (4) The commissioner shall reimburse the insurer from the mine
8 subsidence insurance fund for all amounts paid to policyholders
9 for mine subsidence insurance claims.
10 (5) The insurer is not required to pay a claim for any mine
11 subsidence loss insured under this chapter if the amount available
12 in the mine subsidence insurance fund is insufficient to reimburse
13 the insurer for the claim.
14 (b) The determination of the commissioner as to the amount of the
15 ceding commission that an insurer may retain under subsection (a)(2)
16 must be based on a consideration of the insurer's reasonable
17 administrative costs (including agents' commissions).

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